

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petition for Order Declaring)	
Channel Islands Telephone Company)	WC Docket No. 08-123
An Incumbent Local Exchange Carrier)	
in the Channel Islands, CA Pursuant to)	
Section 251(h)(2) of the Communications Act)	
of 1934, as Amended and Section 51.223(b))	
of the Commission's Rules)	
)	

REPLY OF CHANNEL ISLANDS TELEPHONE COMPANY

Channel Islands Telephone Company ("CIT") respectfully submits its reply to the opposition of Verizon and Verizon Wireless (collectively "VZW") in the above-referenced proceeding. CIT reiterates its request that the Federal Communications Commission ("Commission" or "FCC") grant CIT's Petition for Order Declaring CIT an Incumbent Local Exchange Carrier ("ILEC") in the Channel Islands, California, as CIT fully meets the standards set forth in section 251(h)(2) of the Communications Act of 1934, as amended, and the Commission's regulations.

Recognizing CIT as an incumbent under section 251(h)(2) furthers section 251's main purpose: "foster[ing] competition that otherwise would not likely develop in a local exchange and exchange access market."¹ Treating CIT as an incumbent is a prerequisite for the development of communications availability within the Channel Islands; failure to treat CIT in this manner would likely continue to leave the Channel Islands with virtually no access to

¹ *Treatment of Guam Telephone Authority and Similarly Situated Carriers as Incumbent Local Exchange Carriers Under Section 251(h)(2) of the Communications Act*, CC Docket 97-134, Declaratory Ruling and Notice of Proposed Rulemaking, 13 FCC Rcd 1440, ¶ 41 (1997).

communications, and would thus contradict the purpose of section 251. VZW, the only party to oppose CIT's petition, does not dispute that CIT satisfies two of the three prongs of the standard under section 251(h): (1) that the LEC at issue occupies a market position comparable to a legacy incumbent LEC²; and (2) that the LEC has "substantially replaced" the legacy incumbent LEC.³ And, contrary to VZW's assertions, the record demonstrates without question that CIT furthers the public interest by providing communications capability to the Channel Islands, including areas that encompass the National Park and are not served by VZW or any other provider.

In its opposition, VZW's main request is that the Commission should defer action upon CIT's application until the California Public Utilities Commission ("CPUC") designates CIT as an incumbent.⁴ VZW's argument is inapposite. The CPUC, in fact, has done precisely that by recognizing that it will regulate CIT as a "small incumbent" and authorizing CIT to operate a limited facilities-based provider of competitive local exchange and interexchange services to the five specified Channel Islands—Anacapa, San Miguel, Santa Barbara, Santa Cruz and Santa Rosa.⁵ Furthermore, not one organization or party, including the fifteen ILECs already operating in California, raised any opposition to CIT's petition before the CPUC.

² 47 U.S.C. § 251(h)(2)(A).

³ 47 U.S.C. § 251(h)(2)(B).

⁴ Opposition of Verizon and Verizon Wireless at 1.

⁵ *In the Matter of Application of Channel Islands Telephone Co., for a Certificate of Public Convenience and Necessity to Construct Telecommunications Facilities and to provide local Exchange and Interexchange Service to and within certain previously unserved Channel Islands*, Application 08-08-014, Decision Granting Limited Facilities-Based Certificate of Public Convenience and Necessity at 3 (May 16, 2008) (finding "the issuance of a limited facilities-based CPCN to Applicant would enable Applicant to commence its operations as a telecommunications provider in this state").

Likewise, VZW's claim that CIT cannot operate until it obtains permission to use spectrum licensed by the Commission to VZW is misplaced. The CPUC has already approved CIT to operate as a limited facilities based provider.⁶ CIT does not now nor has it ever intended to use VZW's spectrum to provide CIT's services, and CIT fully commits to complying with all Commission regulations. To the extent VZW does not feel CIT is in compliance with these regulations, the Commission has well-established mechanisms in place to air grievances and seek recovery. Accordingly, VZW's speculative claim that CIT might somehow not comply with unnamed Commission regulations in the future is entitled no weight in the Commission's public interest analysis.

Furthermore, CIT's petition by its own terms demonstrates that a Commission grant would further the public interest, convenience and necessity. Though VZW dismisses CIT's intention to provide service on what it classifies as "primitive" space, the very provision of such services itself greatly serves the public interest. The record demonstrates that there are not *any* substitutes or competitors to the service CIT is licensed to provide. Indeed, VZW claims no intention to expand its offering, and in fact, VZW only provides service to a very narrow area of Santa Cruz and has ignored the remaining portions of the islands.

The Commission has consistently recognized that the ability to access emergency services is a critical communications need. As a vital component of public safety and emergency preparedness, the Commission continues to take steps to close public safety gaps to ensure universal availability of communications services and access to emergency services and public safety organizations.⁷ CIT will provide telecommunications services and capabilities over a vast

⁶ *Id.*

⁷ See, e.g., *E911 Requirements for IP-Enabled Service Providers*, WC Docket No. 05-196, First Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 10245 (2005);

expanse of the Channel Islands, which will make the Channel Islands safer, and more amenable to visitors. Although over 18 million people live within 75 miles of the Channel Islands, fewer than 250,000 individuals visit the islands annually, largely due to the remoteness of the islands.⁸ Indeed, the National Park Service has recognized that “due to the remote and primitive nature of the islands a safe visit to the park depends on visitor[s] assuming individual responsibility for planning their trips and visiting safely.”⁹ The availability of telecommunications services on the Channel Islands fully embraces these goals and would make it possible for more Americans to visit the Channel Islands by mitigating the dangers associated with getting lost or possibly injured in a remote area without any means of contacting authorities for help or assistance. Making the Channel Islands safer for visitors, and therefore more accessible, furthers the public interest.

At bottom, the public will benefit from the grant of ILEC status because CIT has the resources to provide the Channel Islands with state of the art telecommunications and information services using its own facilities. Verizon makes no contrary claim. CIT reaffirms its commitment to providing advanced and reliable services in the remote areas it wishes to serve to attract visitors, but more importantly, to provide access to emergency services and information in an expedient manner. It is difficult to imagine a situation that better demonstrates how the competitive and public interest goals of the 1996 Telecommunications Act can be implemented.

Implementing a Nationwide, Broadband, Interoperable Public Safety Network in the 700 MHz Band, PS Docket No. 06-229, Second Report and Order, 22 FCC Rcd 15289 (2007).

⁸ National Park Service, U.S. Department of the Interior, Channel Islands National Park—*Plan Your Visit* (<http://www.nps.gov/chis/planyourvisit/index.htm>).

⁹ *Id.*

Section 251(h) was enacted to encourage companies like CIT to provide service in unserved and underserved areas of the country. Congress, by enacting the 1996 Telecommunications Act, recognized that the status of an incumbent could clearly change, or, as in this case, no incumbent exists at all. In light of the foregoing, CIT respectfully submits that the Commission should grant CIT's Petition for ILEC Certification on the specified Channel Islands.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael B. Hazzard", written over a horizontal line.

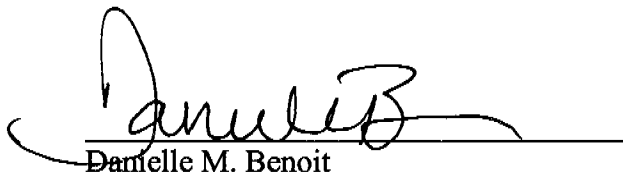
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Dated: August 15, 2008

CERTIFICATE OF SERVICE

I, Danielle M. Benoit certify that a true and correct copy of the foregoing **Reply to the Opposition of Verizon and Verizon Wireless to Channel Islands Telephone Company's Petition for Order Declaring Channel Islands Telephone Company An Incumbent Local Exchange Carrier in the Channel Islands, CA Pursuant to Section 251(h)(2) of the Communications Act of 1934, as Amended and Section 51.223(b) of the Commission's Rules** was served this 15th day of August 2008 via electronic copy to the individuals on the following list:



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August 15, 2008